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Market Release

1 October 2020

Capital raise to accelerate the execution of growth opportunities

Serko Limited (NZX/ASX:SKO) ("**Serko**"), a leader in online travel booking and expense management for the business travel market, today announced it is conducting an equity raising of up to NZ\$55 million to accelerate and execute on the opportunities arising from a changing business travel market.

Serko plans to raise the capital via the issuance of ordinary shares in Serko by way of a NZ\$45 million fully underwritten placement ("**Placement**") and a NZ\$10 million non-underwritten share purchase plan ("**SPP**") (together, the "**Offer**").

Darrin Grafton, CEO of Serko, said: "The COVID-19 pandemic is creating opportunities for us to accelerate the development and rollout of our technology to support our Travel Management Company (TMC) and reseller partners.

"In recent months, we have received inbound demand from these organisations as they consider, plan and request accelerated timetables to onboard new customers, deliver new features and expand existing partnerships. This demand has exceeded our expectations and is highlighting increased opportunities from a changing travel industry."

While Serko has \$33.6 million of cash on its balance sheet, the timing of meaningful revenue generation is uncertain. Therefore Serko is raising capital to further prepare for growth opportunities and to ensure a prudent approach with regards to capital management in this COVID-19 affected environment.

Mr Grafton said: "Serko's priority is to ensure it has the resource and capacity to execute on its strategic priorities, positioning the company for growth when business travel normalises and to capitalise on opportunities arising from changes to the travel industry.

"Serko's Board and management consider the company's market positioning and growth prospects within the travel industry remain significant over the medium to long-term, notwithstanding the impact of the COVID-19 pandemic on the business travel industry. It also remains confident in the recovery of business travel over time.

"Nevertheless, as we indicated at our annual shareholders meeting in August, we are unable to forecast our likely operating revenue for the 2021 financial year with any certainty," Mr Grafton said.

The proceeds from the equity raise will be used to:

- Accelerate the development of our globally scalable, localised travel platform, allowing us to be well positioned for recovery as business travel increases. Serko is progressively scaling-up to bring the power of Zeno to the global market.
- Support increased demand for customer and reseller onboarding to drive volume across all markets, particularly in Europe and North America.

- Expand the breadth and depth of content channels across all markets, responding to new and changing business traveler needs.
- Enhance customer experience functionality for changing market requirements.
- Continue to scale the technology platform for international expansion.
- Fund small M&A growth opportunities, aligned to strategy, if and when they arise.
- Provide Serko with additional balance sheet flexibility to respond to changes in the business environment.

Details of the Equity Raise

Placement

The Placement will be conducted today through a bookbuild in which institutional and other select investors in New Zealand, Australia, Hong Kong, United Kingdom and Singapore will be invited to participate by Craigs Investment Partners Limited and Ord Minnett Limited. A trading halt has been granted by NZX and ASX prior to the market opening today.

The Placement will be fully underwritten by Craigs Investment Partners Limited and Ord Minnett Limited. The Placement will raise gross proceeds of approximately NZ\$45 million and is underwritten at a floor price of NZ\$4.35 per share, which represents a 3.5% discount to the last closing price of NZ\$4.51 per share on 30 September 2020 and a discount of 4.6% to the 5-day VWAP of NZ\$4.56 ending on 30 September 2020.

Share Purchase Plan

Serko intends to offer the SPP to eligible existing Serko shareholders with a registered address in New Zealand or Australia, enabling them to subscribe for up to NZ\$50,000 / A\$46,500 of new Serko shares. The SPP offer size is up to NZ\$10 million, and if scaling of the SPP is required, it will be done with reference to the shareholders' existing holdings of Serko shares at the record date of 30 September 2020. Serko can accept oversubscriptions at its absolute discretion. The price of the Serko shares offered under the SPP will be the lower of the Placement price or the five-day VWAP during the last five trading days prior to, and including, the SPP closing date (being 22 October 2020).

Serko assesses that the SPP will cater for a high majority of Serko's non institutional shareholders, enabling them to participate and potentially increase their relative percentage holdings in Serko.

The final terms of the SPP are expected to be announced in more detail on 7 October 2020. An SPP Booklet, together with an application form, will be sent to eligible shareholders on 7 October 2020 and will be available on the website established for the SPP on the same day. The closing date for applications by eligible shareholders is 22 October 2020.

Eligible shareholders wishing to acquire Serko shares under the SPP will need to complete the application form, or apply online via the website at www.serkoshareoffer.com. Eligible shareholders may choose to take up their entitlements in whole, in part or not at all.



The Serko shares to be issued under both the Placement and SPP will rank equally in all respects with Serko's existing ordinary shares.

Key dates relating to the Placement and SPP are set out in the Appendix to this announcement.

A copy of the investor presentation, cleansing notice and corporate action notice accompany this announcement. Serko is making the Offer in reliance on a class waiver and ruling issued by NZX Regulation dated 30 September 2020.

Craigs Investment Partners Limited and Ord Minnett Limited are acting as Joint Bookrunners and Underwriters for the Placement and Craigs Investment Partners Limited and Cameron Partners Limited (New Zealand global alliance partner of Rothschild & Co.) are Joint Arrangers for the Offer. Serko's legal advisers are Russell McVeagh and Herbert Smith Freehills.

Ends

This announcement has been authorized for release to NZX and ASX by:

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Appendix – Key Dates for Capital Raising¹

Placement	
Conduct underwritten placement	Thursday, 1 October 2020
Trading halt on NZX and ASX	Thursday, 1 October 2020
Announce results of Placement and resume trading	Friday, 2 October 2020
Settlement on the ASX	Tuesday, 6 October 2020
Settlement on the NZX	Wednesday, 7 October 2020
Allotment and trading of shares on NZX and ASX	Wednesday, 7 October 2020
Share Purchase Plan	
Share Purchase Plan Record Date	Wednesday, 30 September 2020
Share Purchase Plan Offer Opens	Wednesday, 7 October 2020
Share Purchase Plan Offer Closes	Thursday, 22 October 2020
Announce results of SPP	Monday, 26 October 2020
Settlement on the ASX	Wednesday, 28 October 2020
Settlement on the NZX	Thursday, 29 October 2020
Allotment of shares on NZX and ASX	Thursday, 29 October 2020
Commencement of trading of shares on NZX	Thursday, 29 October 2020
Commencement of trading of shares on ASX	Friday, 30 October 2020

This announcement is not a product disclosure statement or offering document under New Zealand law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Serko in any jurisdiction. This announcement does not constitute financial product advice or investment advice and does not and will not form part of any contract for the acquisition of Serko securities.

This announcement has been prepared for release in New Zealand and Australia. This announcement may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States (or to, or for the account or benefit of, any person in the United States) or in any other jurisdiction in which such an offer would be unlawful.

The information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Serko's other market announcements lodged with NZX and ASX, which are available at at www.nzx.com and www.asx.com.au under ticker code SKO.

Future performance: This announcement and the investor presentation released with this announcement today ("**Investor Presentation**") may include forward-looking statements about Serko and the environment in which Serko operates, such as indications of, and guidance on, future earnings and financial positions and performance. **You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.** Forward-looking information is inherently uncertain and subject to contingencies, known and unknown risks and uncertainties and other factors outside of Serko's control, and may involve significant elements of subject judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of Serko's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Serko's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realized in the period for which the forward looking statements may have been prepared or otherwise. Refer to the key risks section of the Investor Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect Serko. No assurance can be given that actual outcomes or performance will

¹ The timetable presented is indicative only and is subject to change without notice (subject to applicable laws and NZX Listing Rules and ASX Listing Rules). All dates and times are New Zealand times (unless stated otherwise).

not materially differ from the forward-looking statements. A number of important factors could cause Serko's actual results or performance may differ materially from these statements, particularly as a result of the impacts of COVID-19. The forward-looking statements are based on information available to Serko as at the date of this announcement. Except as required by law or regulation (including the NZX Listing Rules or ASX Listing Rules), Serko undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or otherwise.

Non-GAAP financial information: Certain financial measures included in this announcement and the Investor Presentation are non-GAAP financial information. Non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The non-GAAP financial information included in this release has not been subject to review by auditors. Non-GAAP measures are used by management to monitor the business and are useful to provide investors to access business performance.